

Vacation or Staycation?

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Introduction

“To go or not to go?” This seemed to be the question most Americans were asking themselves regarding a summer vacation last year. With gas prices reaching extraordinary heights each day, many people opted to stay home rather than go on a summer vacation.

Summer vacations used to be as American as apple pie; kids and parents would look forward all school year to having that one week in the summer to relax and just get away. Unfortunately, due to the impact of gas prices, everything from food to hotel rooms has become more expensive. Is this what American’s have to look forward to?

History

American summer vacations date back to the early 1900s. Henry Ford was one of the biggest influences on summer vacations with the invention of the automobile. The automobile led Americans to discover a new type of vacation called “gypsying,” or auto-camping.

Auto-camping was effortless and not unlike a car vacation of today. You packed your car with food, clothes, blankets, and other supplies. Then you drove out to the country, found a beautiful spot along a river, a field, or a mountainside, and set up a camp. For the next day, week, or even month, you could live a life of leisure. Auto-camping was simpler than luxury vacations and a lot cheaper. Many Americans could not afford the cost of top-notch hotels or cruise ships.

To offset this trend and bring travelers back to them, motels became more like luxury hotels as owners added dining rooms, swimming pools, and air conditioning. The American vacation moved away from auto-camping, but the car and the family vacation were still completely connected. More recently, airplanes replaced automobiles, and ventures to Disney World became the new American vacation (*Summer vacation: Car camping*, 2004).

Reality Sets In

The modern reality is gasoline prices peaked in the \$4 per gallon range within the last year. Gas prices continue to frustrate motorists, impacting even the way people get to and from work. Naturally the recent history of gas prices has people questioning whether or not it is worth the additional expense to go on vacation. Average fourth-quarter airfare in 2007 was about \$531 (Yu, 2008). By summer 2008, airfare had risen 16 percent, and was expected to continue to increase as the year progressed (*US airfares up 16% in 2008; Expected to climb higher*, 2008). This added a huge expense to anyone wishing to travel via airplane last summer, particularly given the airline practice of raising fares during the peak summer travel season.

Airlines have also made a practice of adding new fees such as: \$25 for carry-on luggage, \$25 for any excess checked luggage (the third bag), \$25 for any luggage over 50 lbs, and a \$50 fee for oversized items (*Southwest airlines baggage information*, 2008). With all these additional fees added on to the cost of airline tickets, people reduced their travel by air significantly.

As fuel prices rose, hotels and motels all across the country also raised their prices. Going local is not necessarily a money saver for travelers either. One example is the Caribbean Motel, a Wildwood, New Jersey retro inspired, basic hotel, can cost as much as \$189 a night during peak time (*Rooms and rates*, 2008). That is more than a stay in Walt Disney World's All-Star resort which starts at \$89 a night (*View by price*, 2008). The result is that, whether local or at a distance, the family vacation has become significantly more expensive. Between food, fuel,

housing and other miscellaneous expenses, even the simplest two-week beach vacation may cost in the thousands of dollars.

Vacations to more distant spots which require airplane travel, whether Disney World or Chicago, have the same price point as the “simple” beach vacation because of airfare which makes up three quarters of the cost. With costs at such a high level and the state of the economy causing people to have trouble simply paying for gas and putting food on the table, many resorts and family vacation spots had reduced revenues last year and are likely to experience more of the same this year (Cultural Revolution, 2008).

Staycation Haven

Staycation is “a vacation that is spent at one’s home enjoying that entire home and [all] one’s home environs have to offer” (*Staycation*, 2008). With the price of gas soaring, a staycation was what many Americans experienced during the summer of 2008.

A lot of cities recognized this, and started developing entertainment ideas that would allow people to feel like they were “getting away.” For example, in Media, PA, there was a thirteen-week dining and entertainment extravaganza in which restaurants offered curbside dining accompanied by music from 5-10:00 P.M. once a week. This very popular event was called “Dining Under the Stars” and included free parking for visitors, scenic walking paths, shopping, and dining. The objective was to give people who were not going away for the summer, a place where it felt like they could get away for a while. The public’s response was so great that more than 500 people showed up every Wednesday night (Carey, 2008).

Many companies are jumping on the bandwagon to encourage the staycation as well, Wal-Mart as an example. “Cashing in on the ‘staycation’ marketing and advertising campaigns given play in the media this spring, the retail giant has launched a ‘101 Days of Summer Staycation’ desktop widget offering tips on ways to enjoy the season without leaving home” (Fullwood, 2008).

Wal-Mart began advertising this concept of “Summer Staycation” with an online tool that the user could download and access 101 affordable, fun and family-friendly ideas to help an individual relax, celebrate and enjoy the special moments of summer in their own backyard (*101 days of staycation*, 2008). Other retailers, such as Sears and Macy’s, have long offered barbeque equipment, pool paraphernalia, and gear for outside the customer’s home. The marketing efforts of Wal-Mart, along with these more traditional efforts of converting the backyard into the perfect location for a family get-together, were designed to get people excited about the summer again, even one which does not include going on a real “vacation.”

Others have put together special tips to help enhance a family’s staycation. Sardone put together a list of top ten staycation strategies. These tips included setting up a time and a date, putting out the “you are not welcome” mat, following a staycation budget, stocking up on games for couples and families to play and using books, movies, photographs to transport the family to a different place (2008).

Between the costs of going away, the new ideas related to what can be done while at home and the uncomfortable state of the economy, it makes more sense for people to stay at home for their summer retreat. In a “People Poll” conducted last summer in the *Delaware County Times* newspaper, Puglionesi conducted a survey asking “Are you considering a ‘staycation’ this year?” (2008). Out of the six people polled, three were going away, and three staying home. Though a very small sample, the reality it suggests is bigger. More and more people are deciding to stay home and staycation.

The Economy

For years now, American middle class families have been squeezed by rising prices and shrinking take home pay (*The state of the economy: 2008*, 2008). According to Peterman (2007), American’s have little extra money to pay for a vacation. Education costs have risen by over 60 percent since the 2000-2001 academic year. Average tuition, fees and room and board costs at four-year, private universities have increased

by \$10,067, from \$22,240 in the 2000-2001 academic year to \$32,307 in the 2007-2008 academic year.

Healthcare costs have skyrocketed and there are more uninsured Americans. The cost of family health insurance has risen 78 percent since 2001. Meanwhile, the number of uninsured Americans has increased every year since President Bush took office, from 59.8 million in 2000 to a record high of 47 million in 2006. There has been a gigantic surge in energy costs. The rising costs for gasoline, electricity and natural gas have devastated the budgets of middle class Americans.

In 2008, the average household with children spent about \$4,487 on transportation fuel costs, an increase of 136 percent or \$2,584 over 2001 costs (*The state of the economy: 2008*, 2008). The capricious housing market poses a threat to all Americans. Due in part to the irresponsible and voracious mortgage lending practices that have been allowed to thrive in recent years, the country is facing a mortgage crisis that threatens not only the American dream of homeownership, but the entire domestic and international economy. Foreclosure rates are at record levels and a new round of adjustable rate mortgages are set to adjust in the near future, representing billions of dollars of already lost equity that could very well be followed up by even more losses (Peterman, 2007).

There is the nightmare of declining incomes. America's families are working harder and earning less today than they were at the start of the Bush Administration. Median household income, adjusted for inflation, has declined \$962 from \$49,163 in 2000 to \$48,201 in 2006 (*The state of the economy: 2008*, 2008). There is record unemployment and fewer job opportunities at hand. In December 2007, the unemployment rate shot up to a two-year high of five percent, with nearly 500,000 more Americans looking for work than in the previous month. Private employers cut payrolls for the first time in more than four years, and there was critical job losses in manufacturing, construction, financial services and retail sectors. Since that time, unemployment has risen an additional 50 percent, GDP has fallen significantly and Wall Street volatility has cost American families billions of dollars in lost wealth.

With all this and more impacting our economy today, it is not a great surprise that people simply do not have the money to spare for a vacation.

Conclusion

To go on vacation or not may not be the most serious question faced by Americans in the current environment, but vacations have been a way of life for Americans for generations. In the last several years, the price of gasoline and more generally of transportation, had people questioning whether travel was necessary. More recently, as the economy has fallen apart, the idea of spending thousands of dollars for a week or two seems even more unrealistic.

Vacations may seem like an unnecessary extravagance; staycations may offer the best possible alternative. Citizens are finding out what it is like to live paycheck to paycheck and thrift has become fashionable. Communities seem to be recognizing that their members might have a renewed interest in local events and attractions. While resort areas will lose in the current environment, the new American norm may be the staycation.

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